

!Indigo

“I believe that imagination is stronger than knowledge. That myth is more potent than history. That dreams are more powerful than facts. That hope always triumphs over experience. That laughter is the only cure for grief. And I believe that love is stronger than death.”

~ Robert Fulghum

Agenda

Call to Order

Audited Financial Statements

Election of Directors

Appointment of Auditors

Amendment to Directors' DSU Plan

Approval Regarding Stock Option Plan

Formal Meeting Adjournment

Presentation by H. Reisman

Questions & Answers

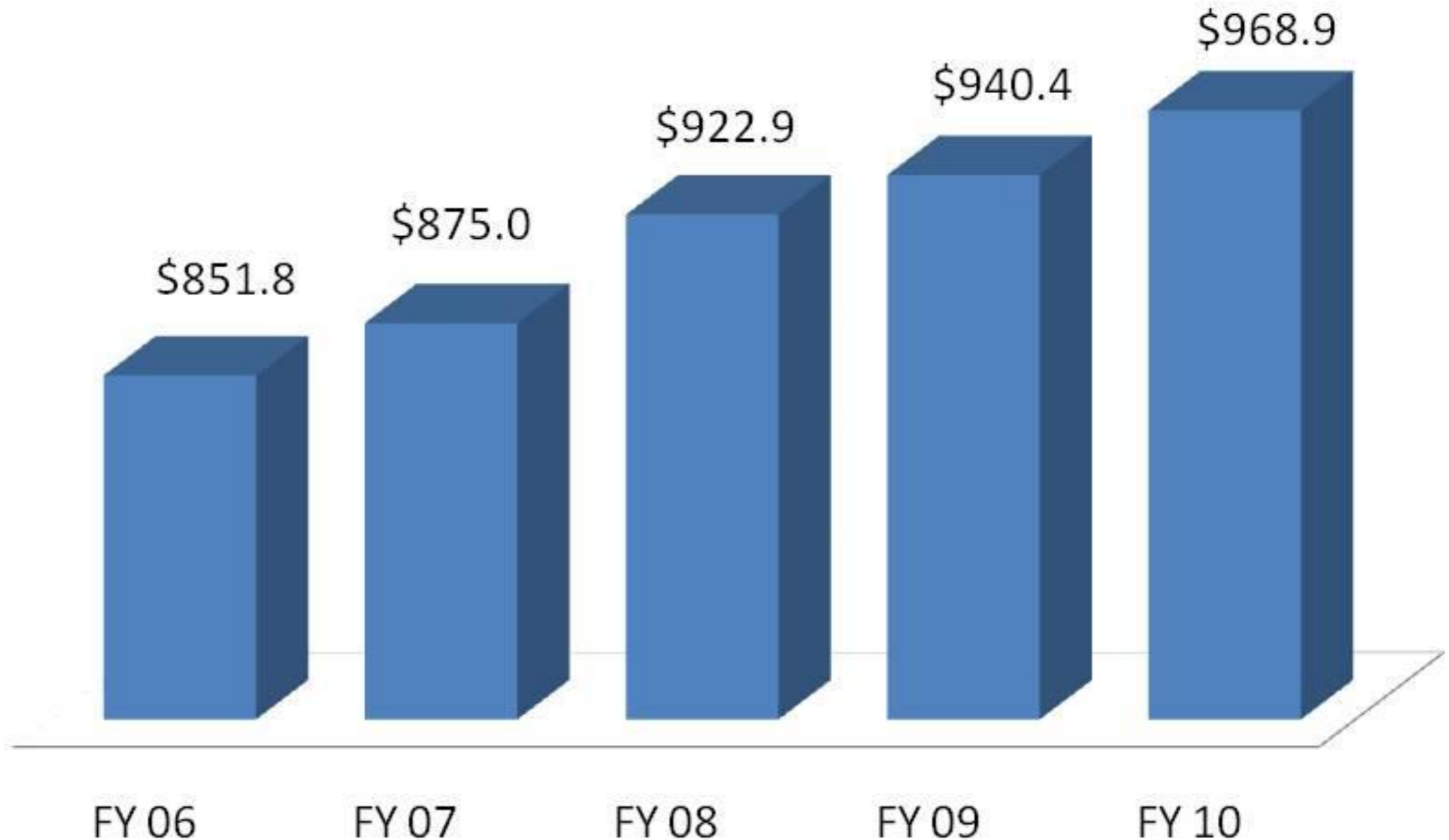
W.O. Mitchell Lester Pearson Bobby Orr R
Howard Engel George Chuvalo Lenny B
Stompin' Tom Connors Graeme Gibson
afelmusik Rick Mercer Phil Hartman Margaret La
Bruce Cockburn Mario Lemieux Tom Cochrane Hank Smith Alex
Colin James Neil Young E.J. Pratt Douglas Coupl
David Foster Zal Yanovsky Norman Bethune #.

Year In Review

Lolita Davidovich Pierre Elliott Trudeau F.R. Scott At
Irving Layton Don McKellar Bruno Gerussi Bernie Finkle
Blue Rodeo Arcade F
Barry Callaghan Robertson Davies Frank G
Tommy Douglas Douglas Cardinal Paul Henderson Cowboy
The Band Pierre Juneau Wayne Gretzky Alan
Jack Hodgins Rocky and Bullwinkle Patricia
Catherine MacKinnon

Net Revenue up 3%

- Strong growth in lifestyle and toy categories
- Industry leading performance in core book category



EBITDA up 0.7%

- Core business supported significant investment in KOBO launch



Strong Cash Position

- Increased dividend
- Strong base for future investment



Net Earnings up 14%

- Gain on KOBO spin out
- Favourable tax transaction



Financial Summary

- Solid balance sheet
- Industry leading performance
- New growth “engines” in a changing industry

W.O. Mitchell Lester Pearson Bobby Orr R
Howard Engel George Chuvalo Lenny B
Stompin' Tom Connors Graeme Gibson
afelmusik Rick Mercer Phil Hartman Margaret La
Bruce Cockburn Mario Lemieux Tom Cochrane Hank Smith Alex
Colin James Neil Young E.J. Pratt Douglas Coupla
David Foster Zal Yanovsky Norman Bethune F.
Tom Carris

Looking Forward

Lolita Davidovich Pierre Elliott Trudeau F.R. Scott At
Irving Layton Don McKellar Bruno Gerussi Bernie Finkle
Blue Rodeo Arcade F
Barry Callaghan Robertson Davies Frank G
Tommy Douglas Douglas Cardinal Paul Henderson Cowboy
The Band Pierre Juneau Wayne Gretzky Alan
Jack Hodgins Rocky and Bullwinkle Patricia
Catherine MacKinnon

Three Year Strategic Focus

Becoming the
World's First
Multi-channel
Booklover's
Lifestyle Store

Creating a 21st
Century High
Performance
Organization

Being a Leader in
Exploding
eReading World
with Kobo

W.O. Mitchell Lester Pearson Bobby Orr R
Howard Engel George Chuvalo Lenny Br
Stompin' Tom Connors Graeme Gibson
afelmusik Rick Mercer Phil Hartman Margaret La
Bruce Cockburn Mario Lemieux Tom Cochrane Hank Smith Alex
Colin James Neil Young E.J. Pratt Douglas Coupla
David Foster Zal Yanovsky Norman Bethune F.
Tom Carris

A Booklover's Lifestyle Store

Lolita Davidovich Pierre Elliott Trudeau F.R. Scott At
Irving Layton Don McKellar Bruno Gerussi Bernie Finkle
Blue Rodeo Arcade F
Barry Callaghan Robertson Davies Frank G
Tommy Douglas Douglas Cardinal Paul Henderson Cowboy
The Band Pierre Juneau Wayne Gretzky Alan
Jack Hodgins Rocky and Bullwinkle Patricia
Catherine MacKinnon

A Booklover's Lifestyle Store

Is...

- Totally engaged with, and reflective of, a body of ideas, emotions and activities happening in the world around us
- Cross Generational
- Multi Channel
- Inspiring

Has...

- A unique assortment philosophy & structure
- A hi tech, hi touch approach to service and experience
- The ability to provide consumers with meaningful connections and inspiring experiences

A Booklover's Lifestyle Store



- The destination for books - in any format
- The destination for affordable, irresistible gifts for every occasion
- A favoured destination for all things KIDS
- A favoured destination for joyful & affordable lifestyle products
- The destination for beautiful paper products
- A valued destination for getting inspired

Our Experience Will Evolve



- Hi tech, hi touch empathetic service module
- Seamless interface for the consumer between online, store staff, kiosk, and customer service centre
- In store and online events which connect our customers to original thinkers, doers, creators, and leaders

Key Product Strategies



- Expanding full line Kids stores to 75 stores - fast paced growth
- Expanding full line gift departments to 75
- Revamp online to include gifts, paper & lifestyle, and expanded kiosk experience

Key Product Strategies



- Establish creative design team and grow proprietary product mix
- Launched eBooks online
- Launch new concepts: photo studio, marketplace buzztronics
- Launched Indigo wholesale

Key Experience Strategies



- Enhancing store design and merchandising
- Enhancing service model - Gifts & Kids
- Programming major live events quarterly - connected through USTREAM
- Engaging customer through CRM, Loyalty and social media
- Enhancing online and kiosk experience
- Redesign customer service process

Three Year Strategic Focus

Becoming the
World's First
Multi-channel
Booklover's
Lifestyle Store

**Creating a 21st
Century High
Performance
Organization**

Being a Leader in
Exploding
eReading World
with Kobo

A High Performance 21st Century Organization

Is...

- Consumer Driven
 - Deliberately respectful of consumer value orientation
 - Engages consumers in shaping the business
- Relentlessly continuous improvement/productivity oriented
- Environmentally sensitive
- Empowering to employees
- Caring
- Creative and innovative

Key Strategies



- Enhancing business intelligence
- Implemented workforce management to improve productivity
- Redesigning warehouse to handle general merchandise
- Implementing new online warehouse
- Empowering employees to contribute ideas innovation and address customer needs
- Streamlining supply chain process to lower returns/markdowns, increase sales
- Expanding Indigogreen

Three Year Strategic Focus

Becoming the
World's First
Multi-channel
Booklover's
Lifestyle Store

Creating a 21st
Century High
Performance
Organization

Being a Leader in
Exploding
eReading World
with Kobo

The KOBO Brand



- * The most open, “linkable” application...accessible on the KOBO eReader, iPhone, iPad, BlackBerry, Android, and major tablets and desktops

- * Your library is yours... always

The KOB0 Global Network



- * Investor Partners include Borders Group, RedGroup, Cheung Kong Holdings (a Li Ka-shing company)
- * Distribution in Asia, Europe, United States, Canada, Australia, New Zealand, and Singapore



“The real Kindle-killer..just arrived: the \$149 Kobo eReader.”

~ Wired

“Priced at C\$149, Kobo is considerably cheaper than other e-readers. The design aims to make e-reading more accessible to book lovers.”

~ Wall Street Journal

“What Kobo really gets right is the interface: big, beautiful chapter and library lists and “I’m Reading” page that correlates the books you’re reading into a newspaper-like display.”

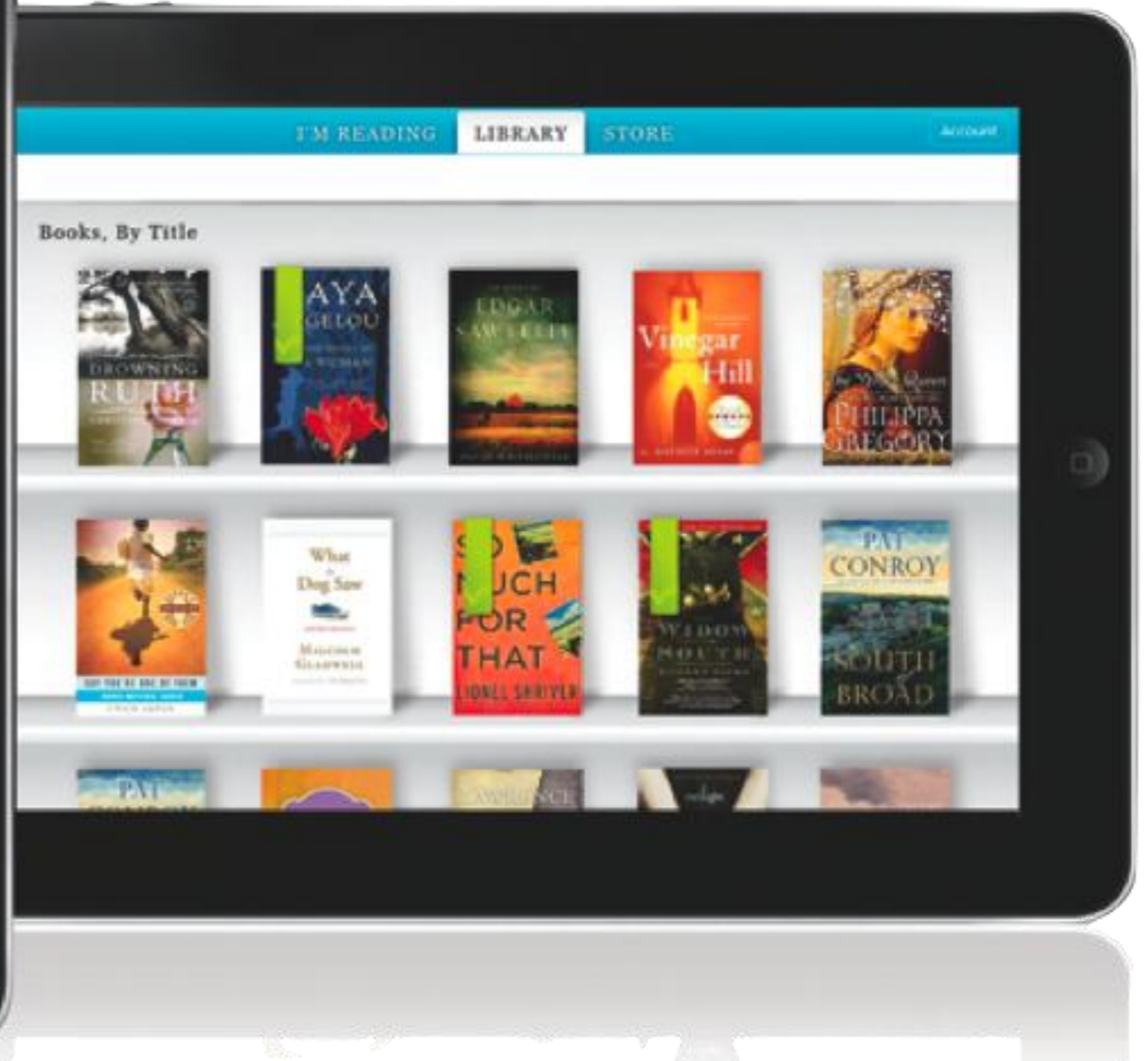
~ Cult of Mac

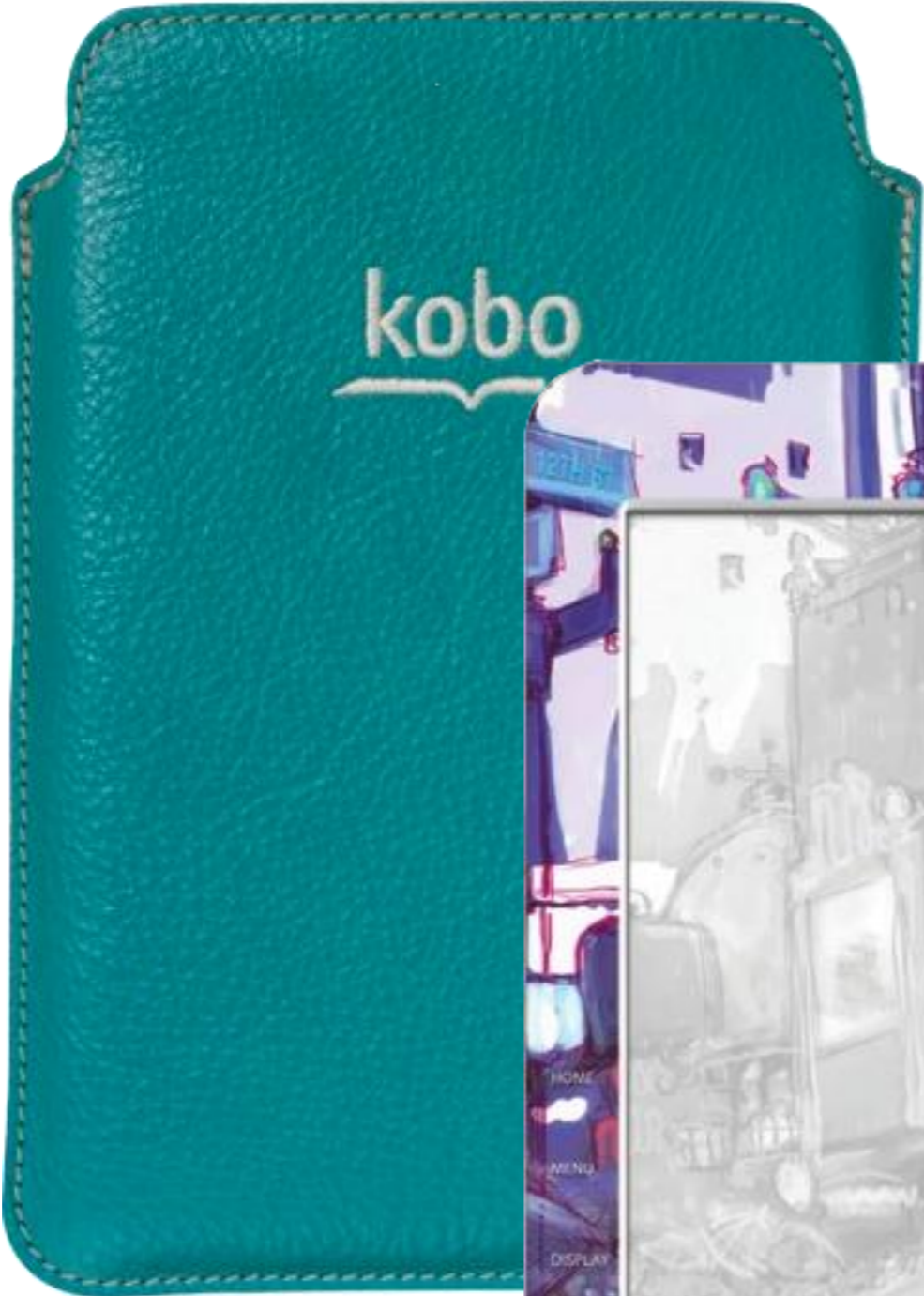
“Better-looking than the Kindle..its UI is where it really shines.”

~ Fast Company

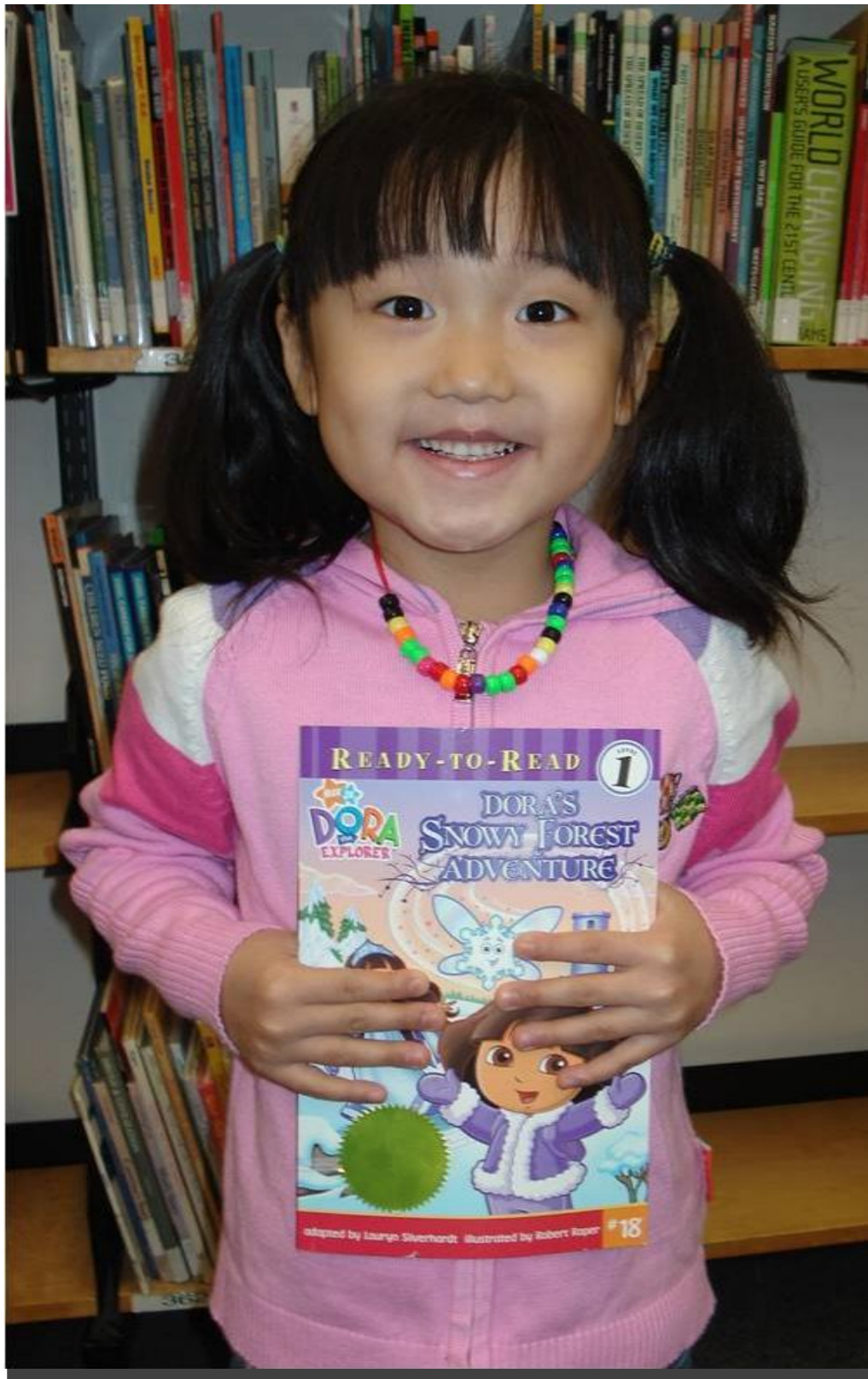
OUR TRUSTED ADVISOR

...the time back in the woods, and had a long
... I says to myself, if a body can get any-
... ay for, why don't Deacon Winn get back
... lost on pork? Why can't the widow get
... er snuffbox that was stole? Why can't
... fat up? No, says I to my self, there ain't
... nothing in it. I went and told the widow about it, and
... she said the thing a body could get by praying for it
... was "spiritual gifts." This was too many for me, but
... she told me what she meant -- I must help other
... people, and do everything I could for other people,
... and look out for them all the time, and never think





Indigo love of reading foundation



- \$9 million funded through Indigo Love of Reading Foundation
- 90 schools and over 24,000 children have been impacted
- Initiated ground breaking research with University of Toronto and University of McGill
- The Goal Remains...Cross-Canada provincial funding!

Questions & Answers

!Indigo